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COUNTY OF SAN DIEGO

Redevelopment Agency of the
County of San Diego

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COUNTY OF SAN DIEGO
REDEVELOPMENT AGENCY

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AGENDA ITEM

DATE: April 11, 2000

TO: Board of Supervisors and
San Diego County Redevelopment AgencySUBJECT: GILLESPIE FIELD REDEVELOPMENT PROJECT - PAYMENT FOR
MARSHALL AVENUE ROAD IMPROVEMENTS (District: 2)

SUMMARY:

Overview

On July 14, 1998 (7) the San Diego County Board of Supervisors approved a cooperative agreement with the City of El Cajon to improve and extend Marshall Avenue. The City of El Cajon is lead agency for the project and all County contributions are paid directly to the City. The Board was informed a total project contribution of \$2,447,750 would be paid by the Airport Enterprise Fund and Redevelopment Agency; however, recommendations were incomplete and did not allow for full payment to the City. Approval of this proposal would establish appropriations and budgeted revenues necessary to effect proper capital project accounting.

Realignment of Marshall Avenue resulted in reduced access to, and parking for, Airport leasehold property. Approval of this proposal would also authorize an additional expenditure of \$250,000 for parking, curb modification and frontage road construction.

All Marshall Avenue project activities are eligible for Redevelopment Agency payment. However, in FY 98/99 the Airport Enterprise Fund paid \$825,000 directly to the City of El Cajon. This money should have been loaned to the Redevelopment Agency for payment to the City. This is a request to acknowledge the Redevelopment Agency Gillespie Field Project should reimburse the Airport Enterprise Fund \$825,000 for the FY 98/99 payment it made to the City of El Cajon.

An additional unrelated issue is receipt of higher than anticipated FY 99/00 tax increment revenue for the Gillespie Field Redevelopment Project. State law requires housing set aside funds, based on tax increment revenue, be held in a separate low and moderate income housing fund. This is a request to establish appropriations of \$60,000 in overrealized tax increment revenue to accomplish the required transfer of funds.

SUBJECT: GILLESPIE FIELD REDEVELOPMENT PROJECT - PAYMENT FOR
MARSHALL AVENUE ROAD IMPROVEMENTS (District: 2)

Recommendations

CHIEF ADMINISTRATIVE OFFICER:

Redevelopment Agency of the
County of San Diego

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A. Acting as the Board of Supervisors

1. Find in accordance with section 15096 of the State CEQA Guidelines, that the County of San Diego, as a responsible agency under CEQA, has considered the environmental effects of the project as shown in the Negative Declaration (ND) prepared by the lead agency dated 5/13/98 (Attachment B), together with the information contained in the Addendum (Attachment C) to the previously adopted ND, before approving the project and;

Find that there are no changes in the project or in the circumstances under which it is undertaken which involve significant new environmental impacts which were not considered in the previously adopted ND, or a substantial increase in the severity of previously identified significant effects, and that no new information of substantial importance has become available since the ND was prepared.

2. Direct the Clerk of the Board of Supervisors, upon receipt, to execute the First Amendment to the Cooperative Agreement with the City of El Cajon for the additional improvements to Marshall Avenue. (4 VOTES)
3. Determine that the Airport Enterprise Fund payment of \$825,000 to the City of El Cajon for the Marshall Avenue project constitutes a loan from the Airport Enterprise Fund to the Redevelopment Agency, and direct the Auditor and Controller to record it as a loan.
4. Find that the improvements to Marshall Avenue are necessary to effectuate the purposes of the Gillespie Field Redevelopment Plan.

B. Acting as the Redevelopment Agency

1. Establish appropriations of \$532,885 in Org. 8967 (Improvement Fund 308613) Account 6310 (Transfer to Capital Project Fund) based on unappropriated fund balance in Improvement Fund 308613, Account 0780. (4 VOTES)
2. Establish appropriations of \$532,885 in Org. 8957 (Redevelopment Agency Capital Project Fund 308611) Account 2290 (Structures and Improvements) for payment to the City of El Cajon for Marshall Avenue improvements, based on operating transfer from ORG 8967 (Improvement Fund 308613) Account 6310. (4 VOTES)
3. Authorize the Auditor and Controller to pay from ORG 8957 (Redevelopment Agency Capital Project Fund 308611) to the City of El Cajon \$1,494,463 for the County's outstanding contribution to the Marshall Avenue project.

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SUBJECT: GILLESPIE FIELD REDEVELOPMENT AGENCY OF THE
MARSHALL AVENUE ROAD IMPROVEMENTS (District 1) FOR
County of San Diego

4. Acknowledge the Redevelopment Agency should reimburse the Airport Enterprise Fund \$825,000 for FY 98/99 Airport Enterprise Fund payments to the City of El Cajon for the Marshall Avenue Project.
5. Establish appropriations of \$60,000 in Org. 8957 (Capital Project Fund 308611), Account 6310 (Operating Transfer to Housing Fund) based on over-realized tax increment revenue received from the Gillespie Field Redevelopment. (4 VOTES)

Fiscal Impact

Funding sources are Airport Enterprise Fund, 1995 Gillespie Field Project Bond Issue, and Tax increment revenue.

Specifically, funds for actions before the Board today for the Marshall Avenue Project include: 1) an FY 99/00 budgeted loan of \$915,687 (in addition to the \$825,000 AEF loan referenced in Recommendation 6) from the Airport Enterprise Fund to the Redevelopment Agency Gillespie Field Capital Project Fund 308611, and 2) a transfer of \$578,776 (\$45,891 budgeted for FY 99/00 plus \$532,885 included in Recommendations B1 and B2) remaining from the 1995 Gillespie Field Project bond issue (Improvement Fund 308613) to Capital Project Fund 308611.

Tax increment revenue is the funding source for appropriations of \$60,000 in funds that must be transferred from Redevelopment Agency Gillespie Field Capital Project Fund 308611 to Housing Fund 308621.

If approved, these requests will result in an additional FY 99/00 cost of \$592,885, (see Recommendations B2 and B5) no annual cost and no additional staff years. There is no impact to the General Fund.

BACKGROUND:

On July 14, 1998 (7), the Board of Supervisors approved Airport Enterprise Fund (AEF) and Redevelopment Agency participation in financing improvements to Marshall Avenue in El Cajon. The purpose of these improvements is to allow for development of 27.8 acres of prime industrial and aviation-use land adjacent to Gillespie Field and the Marshall Avenue right-of-way. Additionally, road improvements will enhance marketability of approximately 42 acres of commercial/industrial land on Gillespie Field property at the northwest corner of Weld Boulevard and Cuyamaca Street. The City of El Cajon, which is lead agency for the project, and an Economic Development Administration Grant also provided project funding. The Board was informed that AEF and Redevelopment Agency contributions would total \$2,447,750.

Board approval is necessary to: amend the Cooperative Agreement with the City of El Cajon and complete the additional related improvements totalling \$250,000 (bringing the total County

contribution to \$2,697,750); enable the transfer of funds required to complete project payments; allow for proper accounting of funds loaned from the AEF to the Redevelopment Agency; and make additional payments to the City of El Cajon. Additionally, approval of Recommendation B5, which is unrelated to the Marshall Avenue Project, will enable the transfer of tax increment revenue within Redevelopment Agency funds, as required by State law. Detailed information regarding each recommendation is provided below

Additional Improvements

The realignment of Marshall Avenue required removal of a portion of the parallel frontage road. This resulted in reduced access to Airport leasehold property and a reduction in parking available to customers utilizing Airport businesses. In addition to costs identified in the July 14, 1998 (7) Board Letter, an expenditure of \$250,000 is recommended for additional project construction to modify curbs, provide parking, and extend the frontage road 240 feet south, restoring access to Airport property. The parking area will be constructed on the east side of North Marshall Avenue near the entrance to the air traffic control tower. Eight parking spaces will be made available to replace parking removed during road realignment. The parking and frontage road extension areas are designated on the attached map (Attachment A).

Improvements can be completed most economically if constructed at the same time as the Marshall Avenue project. Therefore, the City of El Cajon, as lead agency for the Marshall Avenue project, would be reimbursed for their payment to the contractor for these improvements. Approval of Recommendation A2 will authorize the Clerk of the Board of Supervisors to execute the First Amendment to the Cooperative Agreement with the City of El Cajon (Attachment D) necessary to complete the additional improvements. Additionally, Recommendation B3 includes \$250,000 for construction of these improvements, which will be funded with a budgeted loan from the AEF to the Redevelopment Agency.

Implementation of Redevelopment Plan

The Redevelopment Agency can contribute to the Marshall Avenue Project if the Board of Supervisors finds that the improvements are necessary to implement the Gillespie Field Redevelopment Plan. Improvements to Marshall Avenue will provide access to commercial/industrial and aviation property within the project area, are included in the Five Year Implementation Plan for the Gillespie Field Redevelopment Project Area (FY 1995/96 through FY 1999/00), and, thus, are necessary to implement the Redevelopment Plan. Approval of Recommendation A4 will meet this finding requirement.

Encumbrance of Funds

As lead agency for the project, the City of El Cajon makes all project payments and is reimbursed by the AEF and Redevelopment Agency for their share of project costs. While project funding sources were identified in the the July 14, 1998 (7) Board Letter, the related recommendations did not fully encumber funds necessary to reimburse the City of El Cajon for project improvements. In FY 98/99 the AEF paid \$825,000 and the Redevelopment Agency paid \$378,287 toward project improvements; however, additional Board action is required to

authorize payment of the balance of funds due the City of El Cajon. Approval of Recommendation B3 will enable the Redevelopment Agency to reimburse the City of El Cajon up to \$1,494,463 for FY 99/00 project expenditures. Funds for the \$1,494,463 payment will include a \$915,687 budgeted loan from the AEF to the Redevelopment Agency, \$45,891 included in the FY 99/00 Redevelopment Agency Gillespie Field Project budget and \$532,885 in additional appropriations referenced in Recommendations B1 and B2.

AEF Reimbursement

On December 1, 1987 (12) the Board of Supervisors approved an agreement between the County of San Diego and the Redevelopment Agency establishing terms and conditions of loans from the AEF to the Agency. The agreement states all funds advanced from AEF to the Redevelopment Agency for the planning and implementation of the Redevelopment Plan for the Gillespie Field Project shall be considered a loan to be repaid by the Agency. Marshall Avenue project activities are eligible Redevelopment Agency Project expenditures. However, only a portion of the expenditures were budgeted as such in FY 98/99, and the \$825,000 FY 98/99 AEF contribution was paid directly to the City rather than loaned to the Redevelopment Agency for payment to the City. Approval of Recommendation A3 will enable the Auditor and Controller to document this contribution as a loan to the Redevelopment Agency Gillespie Field Project.

Transfer of Tax Increment to Housing Fund

Recommendation B5 is unrelated to the Marshall Avenue Project; however, it does involve the transfer of funds within Redevelopment Agency Gillespie Field Project accounts. Tax increment will exceed FY 99/00 estimates due to a significant increase in aircraft unsecured property tax (an increase of \$193,000 from FY 98/99) and unanticipated growth in property values in 1998. State law requires 20% of project tax increment be utilized for low and moderate-income housing and that the funds be held in a separate low and moderate income housing fund until used. While \$120,000 was budgeted for this purpose, the Auditor and Controller has advised up to \$180,000 in tax increment will need to be transferred from Capital Project Fund 308611 to Housing Fund 308621. Approval of Recommendation B5 will establish appropriations of \$60,000 for this purpose.

Environmental Review

The City of El Cajon is the lead agency for the Marshall Avenue Road Improvement project. On June 23, 1998, the City of El Cajon adopted a Negative Declaration (ND) finding that the project would cause no significant adverse environmental impacts. The Board of Supervisors approved a Cooperative Agreement with the City of El Cajon for the extension of Marshall Avenue and on July 14, 1998, concurred in the City of El Cajon's finding of Negative Declaration.

An Addendum to the previously adopted ND has been prepared to address the proposed additional construction. The Addendum is Attachment C and explains why no further environmental review is required.

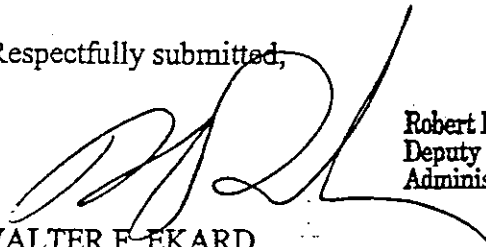
SUBJECT: GILLESPIE FIELD REDEVELOPMENT PROJECT - PAYMENT FOR
MARSHALL AVENUE ROAD IMPROVEMENTS (District 1)

Redevelopment Agency of the
County of San Diego 1

Conclusion

It is anticipated Marshall Avenue project improvements will be completed by June 2000. The Redevelopment Agency will contribute approximately \$2.7 million toward the \$5.2 million project. Project improvements will enable the development of 27.8 acres of prime industrial and aviation-use land and enhance marketability of approximately 42 acres of commercial/industrial land on Gillespie Field property.

Respectfully submitted,



Robert R. Copper
Deputy Chief
Administrative Officer

WALTER F. EKARD
Chief Administrative Officer

BOARD OF SUPERVISORS
AGENDA ITEM INFORMATION SHEET

SUBJECT: GILLESPIE FIELD REDEVELOPMENT PROJECT - PAYMENT FOR MARSHALL AVENUE ROAD IMPROVEMENTS (District: 2)

CONCURRENCE(S)

COUNTY COUNSEL Approval of Form ☐ Yes ☒ N/A

Type of Form: ☐ Standard Form ☐ Ordinance ☐ Resolution ☐ Contract

Review Board Letter Only ☒ Yes ☐ N/A

CHIEF FINANCIAL OFFICER/AUDITOR ☒ Yes ☐ N/A

Requires Four Votes ☒ Yes ☐ No

CHIEF INFORMATION OFFICER ☐ Yes ☒ N/A

DEPARTMENT OF HUMAN RESOURCES ☐ Yes ☒ N/A

CONTRACT REVIEW PANEL ☐ Yes ☒ N/A

Other Concurrence(s): N/A

BUSINESS IMPACT STATEMENT: ☐ Yes ☒ N/A

PREVIOUS RELEVANT BOARD ACTIONS: July 14, 1998 (7) Cooperative Agreement with the City of El Cajon and Construction of Marshall Avenue Road Improvements; December 1, 1987 (12) Airport Enterprise Fund Loan; Resolutions and Agreements Related to Redevelopment Agency Funding.

BOARD POLICIES APPLICABLE: N/A

ORIGINATING DEPARTMENT: Public Works

CONTACT PERSON:

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Name	Phone	Fax	Mail Station	E-Mail


JOHN L. SNYDER, Director

DEPARTMENT AUTHORIZED REPRESENTATIVE

April 11, 2000
Meeting Date

Redevelopment Agency of the County of San Diego

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DEPARTMENT: Public Works

Level of Mandate for this Program/Service Level is:

PROGRAM: Airports

☐ Mandated/Mandated ☐ Discretionary/Mandatory
☒ Mandated/Discretionary ☐ Discretionary/Discretionary

PROPOSAL: Payment for Marshall Ave. Road Improvements

Level of Mandate for this Proposal/Service Level is:

☐ Mandated/Mandated ☐ Discretionary/Mandatory
☒ Mandated/Discretionary ☐ Discretionary/Discretionary

FUTURE YEARS ESTIMATED BUDGET OF PROPOSAL IF ADOPTED

	(a) Budgeted Amount For Proposal	(b) Proposed Change in Budgeted Amount	(c) Proposed Revised Current Year Budget (a+b)	(d) 1 st Subsequent Year	(e) 2nd Subsequent Year
Direct Cost	\$45,891	\$532,885	\$578,776	0	0
Revenue	\$45,891	\$532,885	\$578,776	0	0
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NET GENERAL FUND COST	0	0	0	0	0
<hr/>					
Staff Years	0	0	0	0	0

Sources of Revenue for Proposed Change and Subsequent Years
Redevelopment Agency Funds
available from 1995 bond issue

Space-Related Impacts: Will this proposal result in any additional space requirements? ☐ Yes ☒ N/A
If yes, how will these requirements be accommodated?

Support/Other Departmental Impacts: ☐ Yes ☒ No

Remarks: ☒ Yes ☐ No

Funds to be transferred from Improvement Fund 308613 to Capital Project Fund 308611

FISCAL IMPACT STATEMENT

DEPARTMENT: Public Works

Level of Mandate for this Program/Service Level is:

PROGRAM: Airports

☐ Mandated/Mandated ☐ Discretionary/Mandatory
☒ Mandated/Discretionary ☐ Discretionary/Discretionary

PROPOSAL: Payment for Marshall Ave. Road
Improvements (Recommendation
6, Transfer of tax increment to
housing fund)

Level of Mandate for this Proposal/Service Level is:

☐ Mandated/Mandated ☐ Discretionary/Mandatory
☒ Mandated/Discretionary ☐ Discretionary/Discretionary

FUTURE YEARS ESTIMATED
BUDGET OF PROPOSAL
IF ADOPTED

	(a) Budgeted Amount For Proposal	(b) Proposed Change in Budgeted Amount	(c) Proposed Revised Current Year Budget (a+b)	(d) 1 st Subsequent Year	(e) 2nd Subsequent Year
Direct Cost	\$120,000	\$60,000	\$180,000	0	0
Revenue	\$120,000	\$60,000	\$180,000	0	0
NET GENERAL FUND COST	0	0	0	0	0
Staff Years	0	0	0	0	0

Sources of Revenue for Proposed Change and Subsequent Years
Redevelopment Agency tax increment
revenue

Space-Related Impacts: Will this proposal result in any additional space requirements? ☐ Yes ☒ N/A
If yes, how will these requirements be accommodated?

Support/Other Departmental Impacts: ☐ Yes ☒ No

Remarks: ☒ Yes ☐ No

Funds to be transferred from Capital Project Fund 308611 to Housing Fund 308621

